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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

Proceeding	91205376
Party	Defendant ProctorU, Inc.
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**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD**

In the matter of application Serial No. 85/345,247
For the Trademark PROCTORU
Published in the Official Gazette
on January 31, 2012

FINANCIAL INDUSTRY REGULATORY AUTHORITY, INC.)	
Opposer/Counterclaim Respondent,)	Mark: PROCTORU
)	Opposition No. 91205376
v.)	
)	
PROCTORU, INC.)	
Applicant/Counterclaim Petitioner)	
_____)	

**APPLICANT'S RESPONSE TO OPPOSER'S MOTION TO DISMISS APPLICANT'S
COUNTERCLAIM**

Applicant, by and through counsel, responds to Opposer's Motion to Dismiss Applicant's Counterclaim For Failure to State a Claim ("Motion to Dismiss"). For the following reasons, Opposer's Motion to Dismiss should be denied.

I. INTRODUCTION

Applicant has filed an application to register the mark PROCTORU, (Ser.No. 85/345247) for "online educational testing services in the field of distant learning, namely, administering standardized tests"..... Opposer has opposed the application, on the grounds

that registration of the PROCTORU mark would cause a likelihood of confusion with its four PROCTOR registrations. Applicant has filed its answer denying likelihood of confusion with the PROCTOR marks

In its Answer, Applicant also has offered a counterclaim for partial cancellation of Opposer's Registration Nos. 1,768,263; 1,766,565; 1,920,891; and 1,797,000 (collectively, the "Opposer Registrations") on the grounds that as evidenced by its own pleadings, Opposer has abandoned the goods and services associated with each registration except for the enumerated goods and services for investment brokerage firms and their employees (Notice of Opposition, paragraph 1).

Opposer's registrations cover the following goods and services:

- PROCTOR (Reg. No. 1768263) for training, educational testing and certification of professional and employment skills and abilities
- PROCTOR (Reg. No. 1766565) for computer programs for training, testing, and certification of professional and employment skills and abilities
- PROCTOR (Reg. No. 1920891) for booklets, pamphlets and brochures for training, testing, and certification of professional and employment skills and abilities
- PROCTOR (Reg. No. 1797000) for computer and facilities manuals for training, testing, and certification of professional and employment skills and abilities

The counterclaim seeks partial cancellation of Opposer's registrations for all goods and services other than those for brokerage firms, and individual brokers. In lieu of an Answer to the asserted counterclaim, Opposer has filed a Motion to Dismiss Applicant's Counterclaim

pursuant to Rule 12(b)(6) of the Federal Rules of Civil Procedure.

In its Motion to Dismiss, Opposer erroneously argues that Applicant's pleaded counterclaim for partial cancellation by way of restriction based on abandonment is flawed because it is based upon the Board's authority pursuant to Section 18 of the Trademark Act 15 U.S.C. §1068 (hereinafter "Section 18"). The Motion To Dismiss is based on the Opposer's contention that, in addition to pleading nonuse or abandonment of the mark, a party seeking to partially cancel a registration must plead and ultimately prove that any likelihood of confusion would be avoided by such a cancellation, and that Applicant fails to identify the cancellation it is seeking as well as facts to establish that the limitation it seeks would avoid likelihood of confusion. (Motion To Dismiss, page 3).

Opposer's argument is incorrect because **all claims** where partial cancellation is before the TTAB, whether based on straightforward abandonment, avoidance of likelihood of confusion, or some other ground, are available pursuant to the Board's authority under Section 18, *See* 3 McCarthy On Trademarks And Unfair Competition, §20:44 (4th Ed. 1999). Consequently, even the invocation of Section 18 does not invalidate Applicant's otherwise properly pleaded claim for partial cancellation based on abandonment. As Applicant demonstrates herein, Opposer's argument is based on a misreading of Section 18 and the subsequent decisions interpreting the Board's authority under Section 18. When read in light of the TTAB's own precedential decisions, Applicant's counterclaim for partial cancellation based on abandonment is sufficiently pleaded. Accordingly, Applicant respectfully requests that Opposer's Motion to Dismiss be DENIED.

II. LEGAL STANDARD

A Motion to Dismiss Under Rule 12(b)(6) tests the sufficiency of the Complaint. To survive a Motion to Dismiss, Applicant, need only allege sufficient factual matter as would, if proved, establish that 1) Applicant has standing to maintain the proceeding, and 2) a valid ground existing for cancelling the mark, in whole or in part, as may be applicable. *Lipton Industries, Inc. v. Ralston Purina Co.*, 670 F.2d 1024, 213, U.S.P.Q. 185, 187 (CCPA 1982).

In the context of an inter partes proceedings before the Board, as here, the Claimant must plead factual content that allows the Board to draw a reasonable inference that the Petitioner has standing and that a valid ground for cancellation exists. *Bell Atlantic Corp. v. Twombly*, 550 U.S. 544, 556 (2007). For purposes of determining a Rule 12(b)(6) Motion to Dismiss, all of Plaintiff's well pleaded allegations must be accepted as true, and the Complaint must be construed in the light most favorable to Plaintiff. *Advanced Cardiovascular Systems, Inc. v. Sci Med Life Systems, Inc.*, 988 F.2d 1157, 26 U.S.P.Q. 2d 1038 (Fed.Cir. 1993); 5A Wright & Miller, Federal Practice and Procedure: Civil 2d, Section 1357 (1990). The purpose of a Rule 12(b)(6) Motion is to allow for elimination of "actions that are fatally flawed in their legal premises and destined to fail, and thus to spare litigants the burdens of unnecessary pretrial and trial activity" *Advanced Cardiovascular Systems, Inc.*, 26 U.S.P.Q. 2d at 1041.

III. ARGUMENT

Because Opposer does not dispute that Applicant has standing to bring the

Counterclaim, the question before the Board is whether the counterclaim is sufficient to plead a claim of partial abandonment even though it does not have any reference to avoidance of likelihood of confusion. The answer is a resounding Yes.

The Board has found that counterclaims alleging partial abandonment are sufficient under Section 14 of the Lanham Act even in the absence of any reference to avoidance of a likelihood of confusion. *See Johnson & Johnson v. Obschestvo S Ogranitchenmoy*, 2012 WL 2166311 (TTAB 2012) (Board found that counterclaim for partial cancellation of goods due to abandonment was proper under Section 14 where goods and services were being eliminated from identification of goods and services, even where likelihood of confusion was not pled) *citing DAK Industries, Inc. v. Daiichi Kosho Co.*, 35 U.S.P.Q. 2d 1434 (TTAB 1995); *See also Otto International, Inc. v. Otto Kern GmbH*, 83 U.S.P.Q. 2d 1861, 1863 (TTAB 2007).

Opposer relies heavily on *Eurostar, Inc. v. "Euro-Star" Reitmoden GmbH & Co. KG, Spezialfabrik Fur Reitbekleidung*, 1994 TTAB Lexis 29; 34 U.S.P.Q. 2d 1266 (TTAB 1994) for its argument that *cancellation will remove likelihood of confusion must be pled*. In that case, the Petitioner was seeking to limit channels of trade for goods and services, and the Board held that to narrow the identification to channels of trade; removal of likelihood of confusion must be pled. However, the Board in *Johnson & Johnson* distinguished *Eurostar*, and recognizes that where a party seeks to have goods or services deleted on a theory of abandonment, rather than modify or restrict the channel of trade of goods or services as proposed in *Eurostar*, the Board has authority to entertain the counterclaim under Section 14, and there is no need to plead that the deletion would avoid likelihood of confusion under

Section 18.

In *Eurostar*, the Applicant was seeking to restrict the registration with respect to channels of trade in the United States to catalogs and specific retail establishments. *Eurostar, Inc.*, at 1267. That is in direct contrast to the instant case, and that in *Johnson & Johnson*, where the Applicant is seeking to strike all goods and services other than training and educational testing and certification of professional and employment skills and abilities for investment brokerage firms and their employees (Reg. No. 1768263), computer programs for training, testing and certification of professional employment skills and abilities in connection with investment brokerage (Reg. No. 1766565), booklets, pamphlets, and brochures for training, testing and certification of investment brokerage skills and abilities (Reg. No. 1920891), and computer and facility manuals for training, testing and certification of investment brokers (Reg. No. 1797000). Therefore, the instant case is like *Johnson & Johnson* where applicant has plead that explicit goods are being cancelled as part of the partial cancellation, not the *Eurostar* situation where registration was to be modified to reference specific channels of trade.

IV. CONCLUSION

In conclusion, Applicant's counterclaim seeks deletion of certain goods in their entirety from each of the Opposer Registrations, rather than the mere addition of a restriction narrowing the channels of trade. Applicant's counterclaim is clear on its face as to the allegations and the remedies sought and the counterclaim sets forth a *prima facie* case of

"straightforward" abandonment. Accordingly, Opposer's Motion to Dismiss is without merit and should be DENIED.

In the event the Board finds that Applicant's counterclaim for partial cancellation of the abandoned goods in the Opposer Registrations is insufficient, Applicant respectfully requests leave to file an Amended Answer and Counterclaim to correct any material deficiencies found by the Board. Despite Opposer's unsupported allegation that the Counterclaim is incurably defective, the requested limitation would so tie a specific type of goods and service with such a small subclass of users that the difference in connotation and sound of Applicant's ProctorU mark for its differentiated back office goods and services administering tests to parties like FINRA, not FINRA's end user's employees, would eliminate any likelihood of confusion. Therefore, as this Board has often held, grant of time to amend the pleadings, is proper even where the Motion to Dismiss is granted. See e.g. *Eurostar, Inc.* (Respondent's Motion to Dismiss is Granted, but Petitioner is allowed until thirty days from the date of this Decision in which to file an Amended Pleading, failing which the Petition will be dismissed).

Wherefore, Applicant requests that the Opposer's Motion to Dismiss Applicant's Counterclaim be Denied, or in the alternative, Applicant requests leave to file an Amended Answer and Counterclaim to correct any insufficiencies found by the Board.

Respectfully submitted,

ProctorU, Inc.

By Its Attorney's

By: 

Howard M. Gitten

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CERTIFICATE OF SERVICE

I hereby certify that on September 25, 2012, a true and correct copy of the foregoing **RESPONSE TO OPPOSER'S MOTION TO DISMISS APPLICANT'S COUNTERCLAIM** has been served by mailing said copy, via first-class mail, postage prepaid, addressed to attorney of record for Financial Industry Regulatory Authority, Inc.:

Morgan Lewis & Bockius
Carla B. Oakley
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Date: 9/25/12

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CERTIFICATE OF ELECTRONIC MAILING

I hereby certify that the foregoing **RESPONSE TO OPPOSER'S MOTION TO DISMISS APPLICANT'S COUNTERCLAIM** is being submitted electronically through the Trademark Trial and Appeal Board's ESTTA System on this September 25, 2012.

Howard M. Gitten

Howard M. Gitten